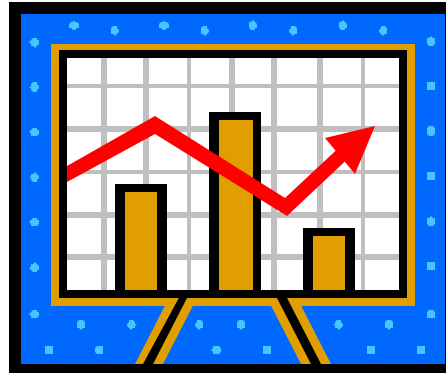


# Indian Health Service 10 Year Expenditure Trends

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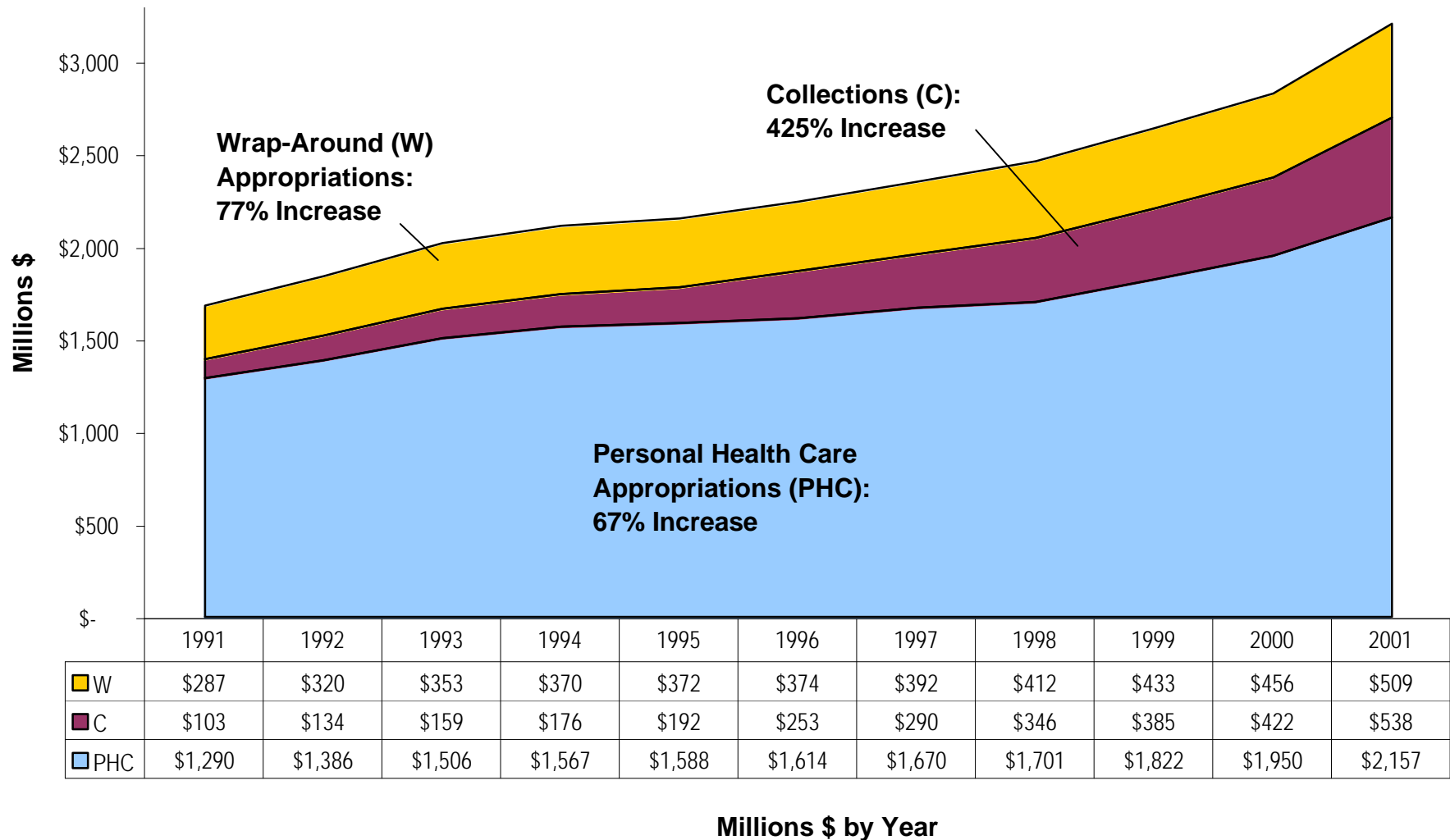


These charts and tables show Indian Health Service expenditures from 1991 to 2001. Charts of buying power and per user expenditures considering increasing costs due to medical inflation and the expanding AI/AN population served by IHS are shown also. The focus is on tracking IHS expenditures over the 10 year period, not comparing IHS expenditures with external spending benchmarks or estimates of funding needed. For external comparisons and estimates of needed funding, see the Federal Disparity Index study ([www.ihs.gov](http://www.ihs.gov)) which compares IHS funding with typical costs of mainstream health insurance plans. IHS expenditures per user for years after 1998 are based on preliminary user counts. Revised IHS user counts based on a more exact methodology are expected in March, 2002 for fiscal years 1999, 2000, and 2001. Any changes to average expenditures per IHS user resulting from revised user counts are expected to be minor.

January 8, 2002

IHS Funding Trends: Chart 1

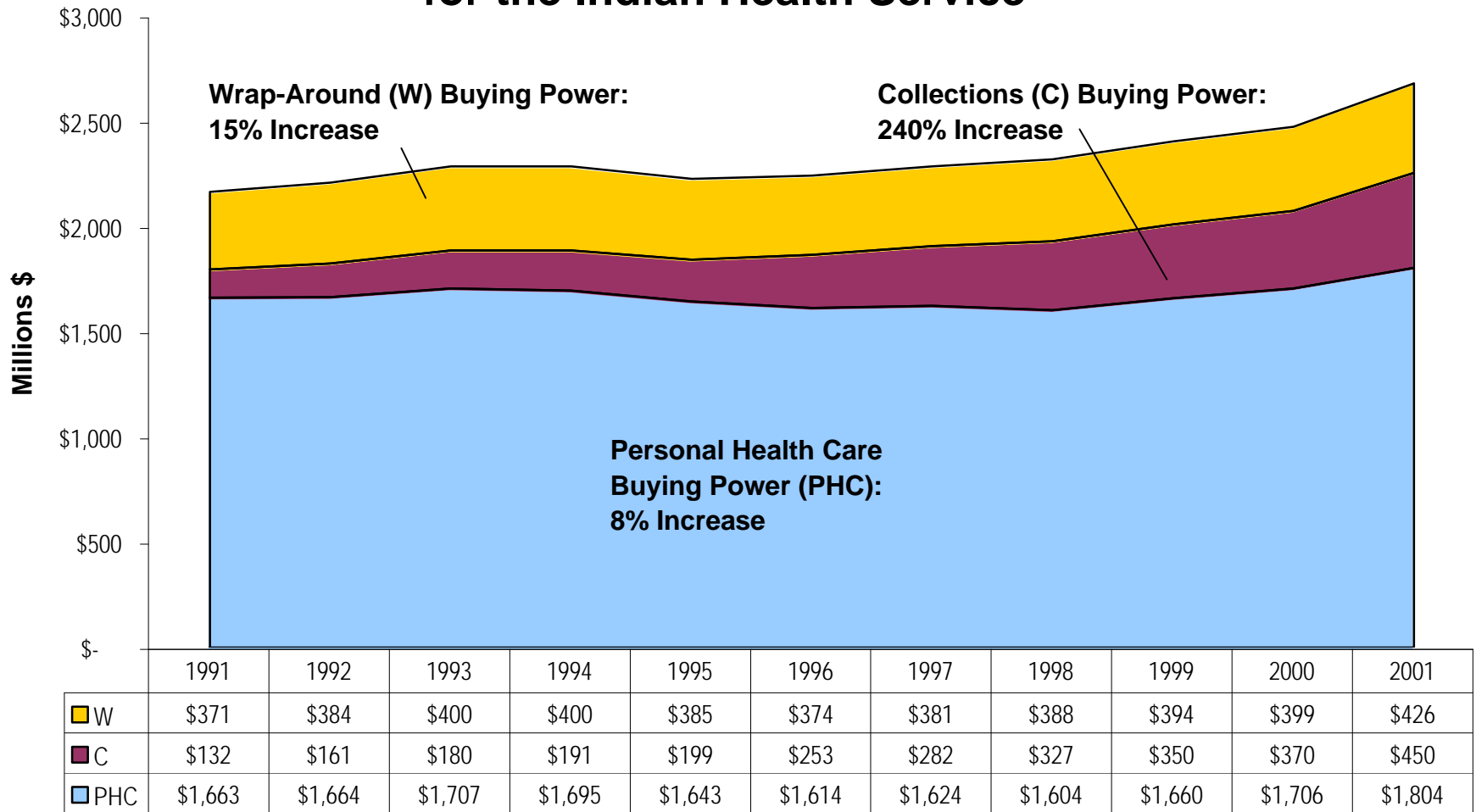
## 10 Year Indian Health Service Funding Trend



IHS funding increased by 91% during the 10 year period from 1991 to 2001. Collections grew by 425%, a growth rate more than 7 times higher than other IHS appropriations. Collections now account for 17% of IHS funding.

IHS Funding Trends: Chart 2

## 10 Year Buying Power Trend for the Indian Health Service

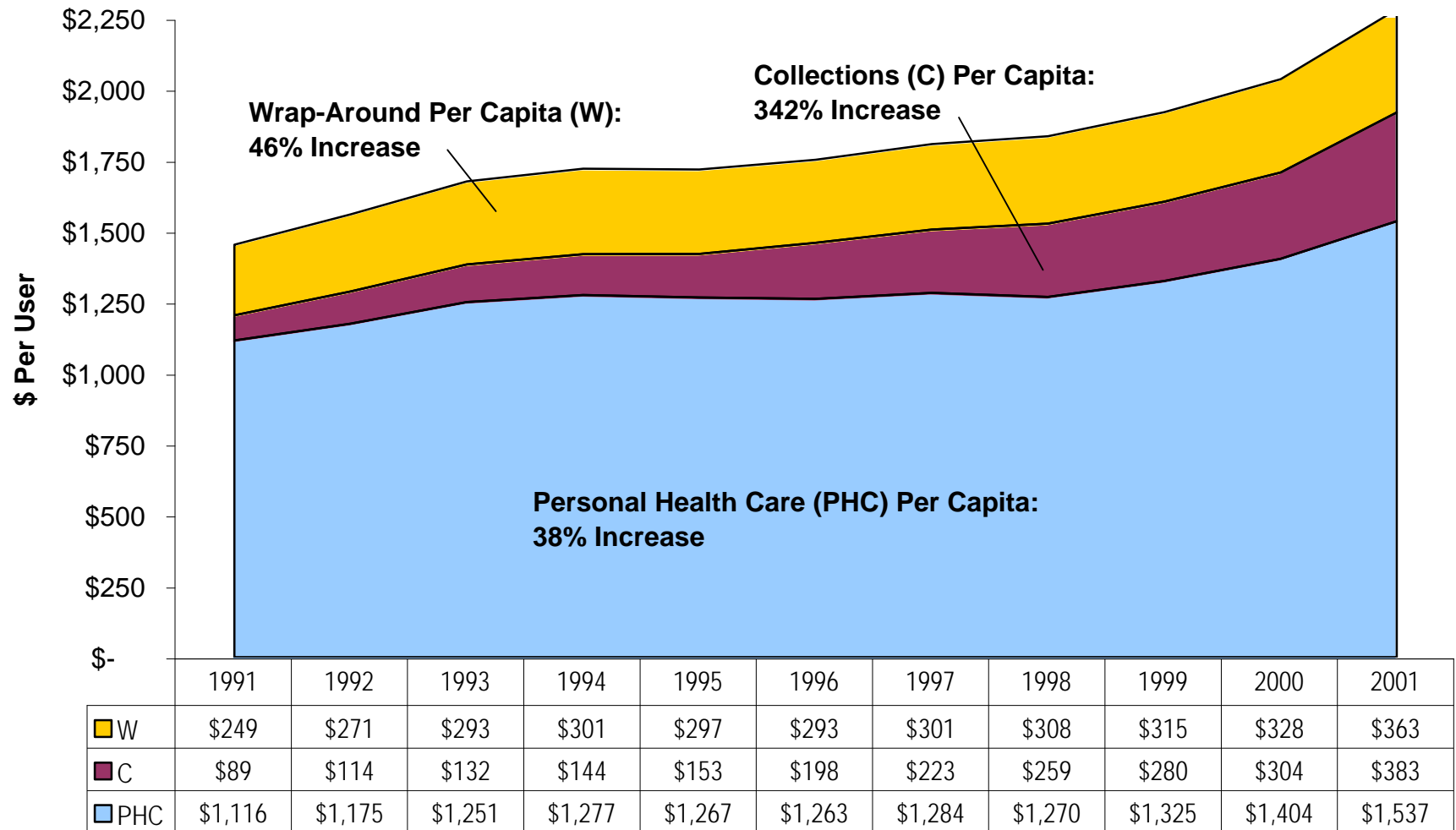


**Constant \$ in Millions (1996 base year)**

Expenditures are discounted for medical inflation as published by the Bureau of Labor Statistics. Actual IHS buying power was stagnant through the mid-1990s but ended the 10 year period up 24%. Most of the increase is due to enhanced collections.

## IHS Funding Trends: Chart 3

### 10 Year Trend in IHS Expenditures Per Capita

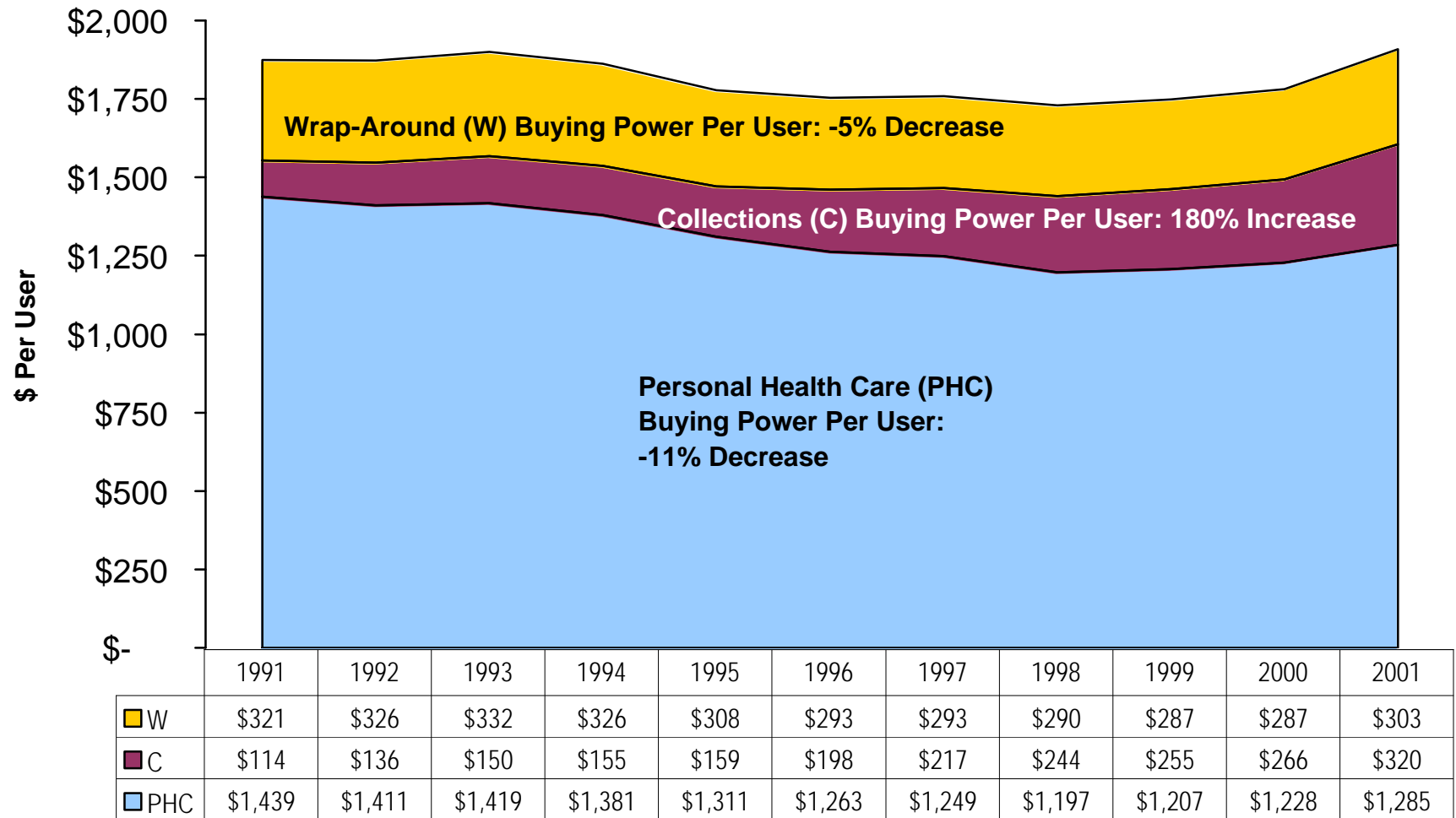


**Expenditures Per User By Year**

Per user expenditures are computed by dividing the IHS user count into IHS expenditures. Raw IHS expenditures per user (not buying power) increased by 59% during 1991-2001. Enhanced collections accounted for much of the increase.

IHS Funding Trends: Chart 4

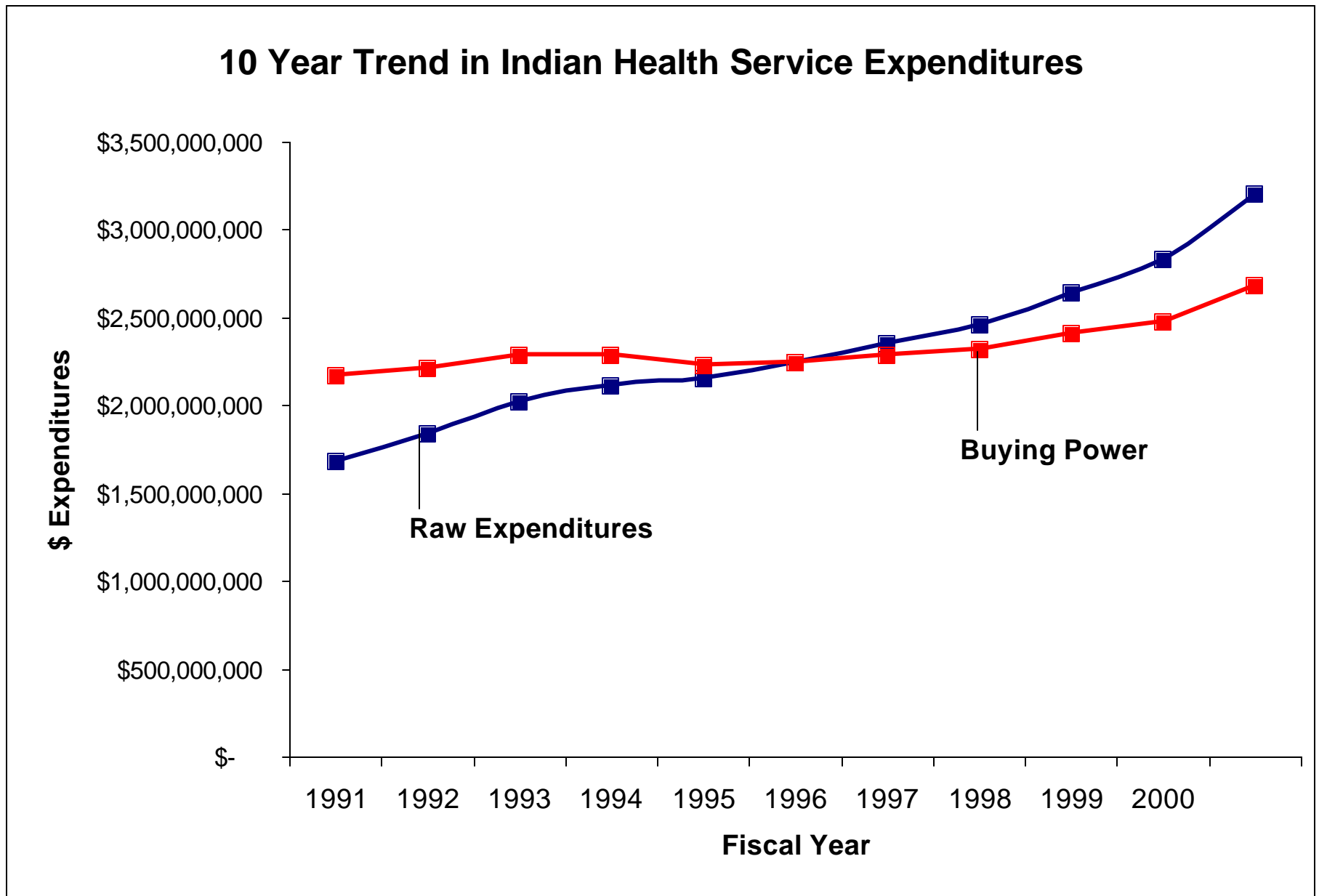
## 10 Year Trend in IHS Buying Power Per Capita



**Constant \$ Per User by Year (1996 base year)**

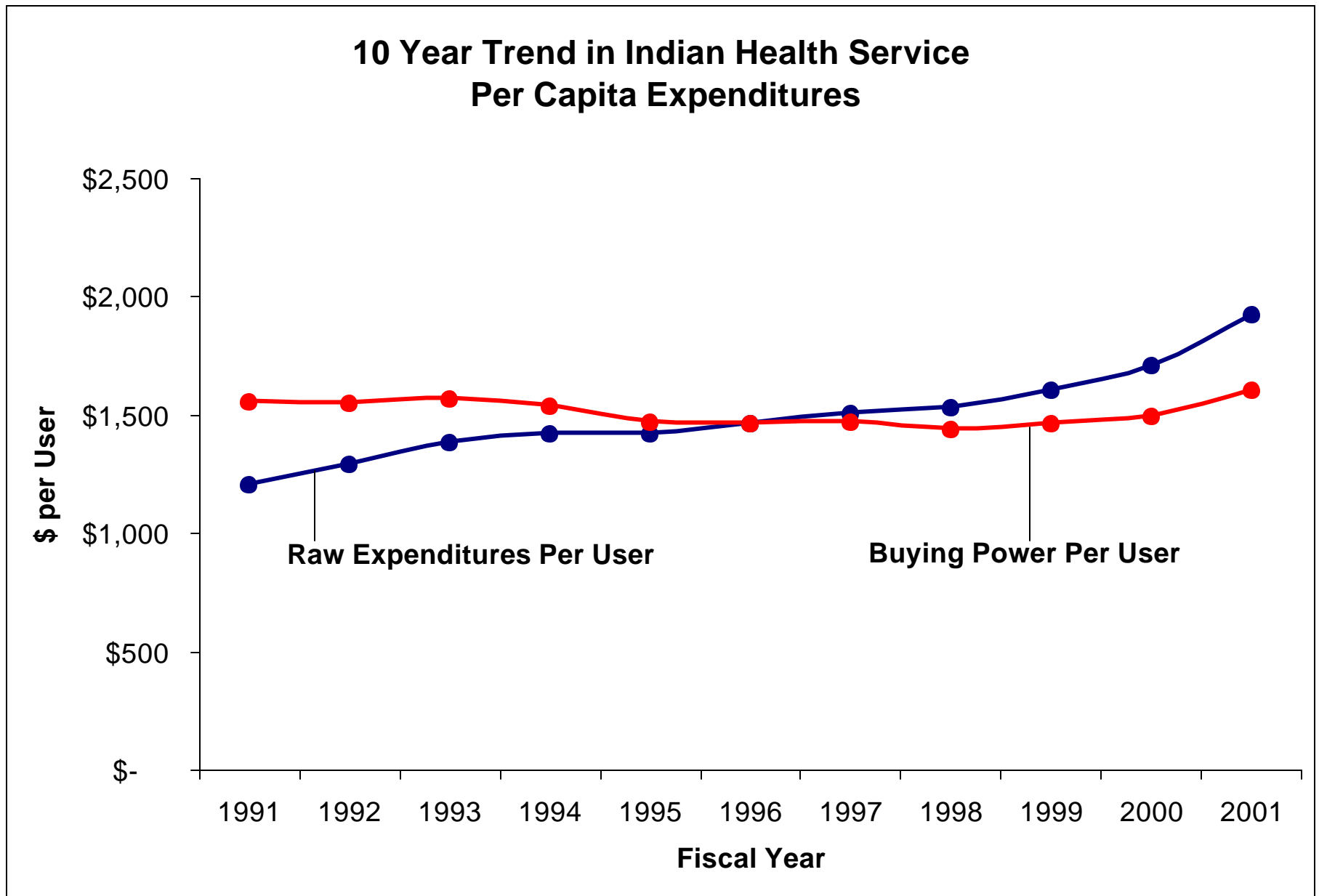
The IHS user count is divided into expenditures discounted for medical inflation. Appropriations buying power per user decreased during 1991-2001, but were compensated for by enhanced collections yielding a 3% net increase per user.

## IHS Funding Trends: Chart 5



Expenditures increased by 91% from 1991 to 2001. Actual buying power expanded by only 24% after discounting for increasing medical inflation. Thus, services IHS is able to provide expanded at roughly the same rate as the AI/AN population.

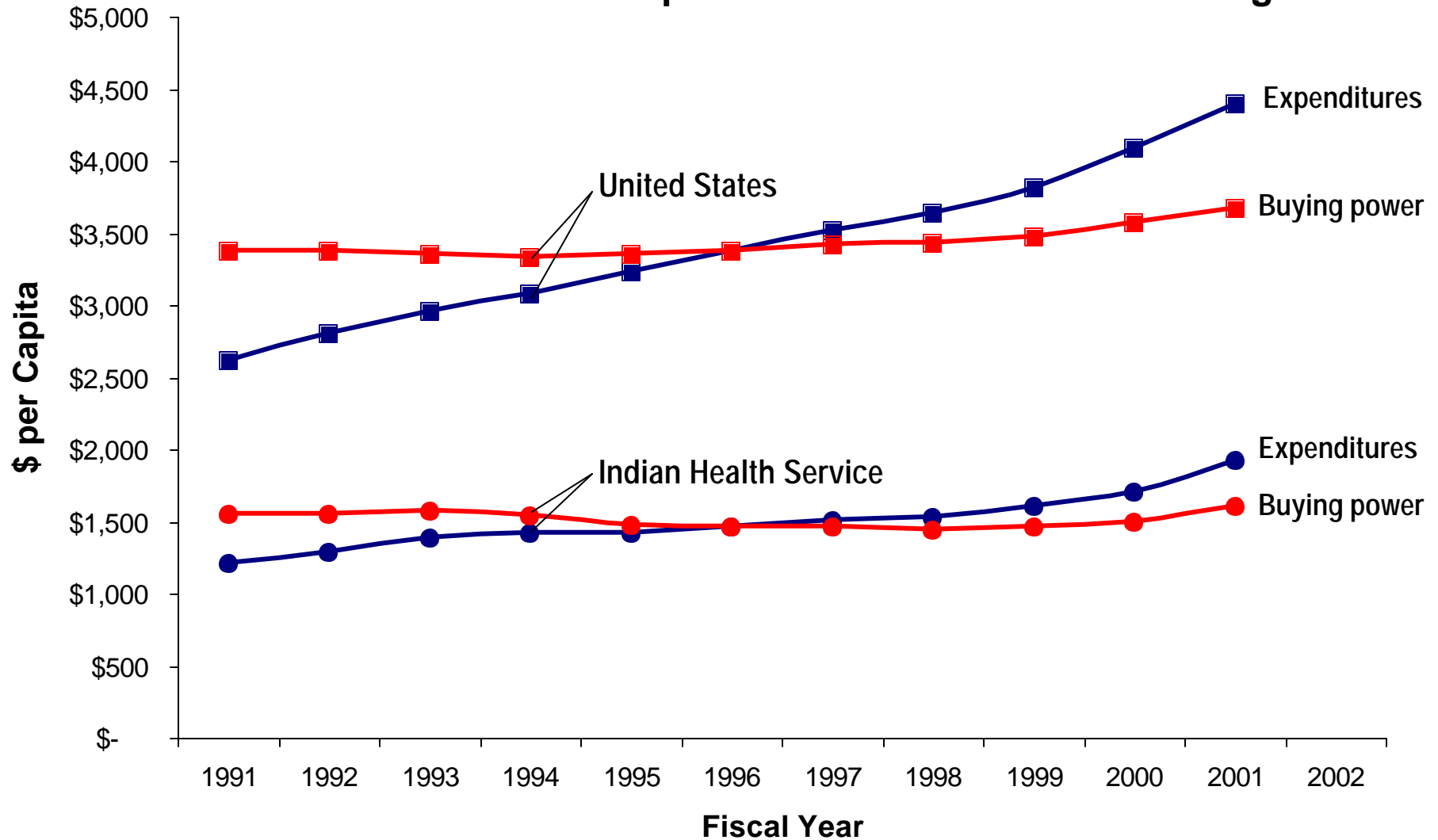
## IHS Funding Trends: Chart 6



While raw IHS expenditures per user increased by 59% during 1991-2001, actual buying power per user was flat or declined during most of the 10 year period due to medical inflation. Increased 2001 expenditures raised net buying power by 3% overall.

## IHS Funding Trends: Chart 7

### 10 Year Trend in Per Capita Health Expenditures & Buying Power: Indian Health Service compared to the United States Average



All IHS appropriations and collections are included but not payments for services to Indians outside IHS facilities. US expenditures are for personal health care services only. Expenditures are discounted by medical inflation to get buying power.



## RAW EXPENDITURES

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
PHC	\$ 1,290,101,088	\$ 1,385,994,500	\$ 1,506,026,850	\$ 1,567,481,900	\$ 1,587,693,170	\$ 1,614,412,650	\$ 1,669,932,904	\$ 1,701,157,604	\$ 1,822,306,134	\$ 1,949,566,565	\$ 2,157,409,456
C	\$ 102,500,000	\$ 133,900,000	\$ 158,800,000	\$ 176,400,000	\$ 192,300,000	\$ 252,818,564	\$ 289,552,194	\$ 346,474,389	\$ 384,778,501	\$ 422,379,244	\$ 537,801,000
W	\$ 287,467,912	\$ 319,959,500	\$ 352,603,150	\$ 369,611,100	\$ 372,380,830	\$ 374,050,350	\$ 391,767,096	\$ 412,154,396	\$ 432,638,866	\$ 455,761,435	\$ 509,056,544
<b>IN Millions By Year</b>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
PHC	\$ 1,290	\$ 1,386	\$ 1,506	\$ 1,567	\$ 1,588	\$ 1,614	\$ 1,670	\$ 1,701	\$ 1,822	\$ 1,950	\$ 2,157
C	\$ 103	\$ 134	\$ 159	\$ 176	\$ 192	\$ 253	\$ 290	\$ 346	\$ 385	\$ 422	\$ 538
W	\$ 287	\$ 320	\$ 353	\$ 370	\$ 372	\$ 374	\$ 392	\$ 412	\$ 433	\$ 456	\$ 509
<b>Total</b>	\$ 1,680,069,000	\$ 1,839,854,000	\$ 2,017,430,000	\$ 2,113,493,000	\$ 2,152,374,000	\$ 2,241,281,564	\$ 2,351,252,194	\$ 2,459,786,389	\$ 2,639,723,501	\$ 2,827,707,244	\$ 3,204,267,000

174%

## CONSTANT \$ EXPENDITURES

1.19562662

Annual Medical Inflation	108.7%	107.4%	105.9%	104.8%	104.5%	103.5%	102.8%	103.2%	103.5%	104.1%	104.6%
Constant \$ Discount	128.9%	120.0%	113.3%	108.2%	103.5%	100.0%	97.3%	94.3%	91.1%	87.5%	83.6%
<b>Year</b>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
PHC	\$ 1,663,190,156	\$ 1,663,701,430	\$ 1,707,067,278	\$ 1,695,349,236	\$ 1,643,262,431	\$ 1,614,412,650	\$ 1,624,448,350	\$ 1,603,510,244	\$ 1,659,618,148	\$ 1,705,588,177	\$ 1,804,417,383
C	\$ 132,142,351	\$ 160,729,080	\$ 179,998,307	\$ 190,789,830	\$ 199,030,500	\$ 252,818,564	\$ 281,665,558	\$ 326,586,573	\$ 350,427,061	\$ 369,520,619	\$ 449,806,813
W	\$ 370,601,812	\$ 384,068,680	\$ 399,672,356	\$ 399,762,126	\$ 385,414,159	\$ 374,050,350	\$ 381,096,397	\$ 388,496,512	\$ 394,014,650	\$ 398,725,198	\$ 425,765,482
<b>In Millions By Year</b>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
PHC	\$ 1,663	\$ 1,664	\$ 1,707	\$ 1,695	\$ 1,643	\$ 1,614	\$ 1,624	\$ 1,604	\$ 1,660	\$ 1,706	\$ 1,804
C	\$ 132	\$ 161	\$ 180	\$ 191	\$ 199	\$ 253	\$ 282	\$ 327	\$ 350	\$ 370	\$ 450
W	\$ 371	\$ 384	\$ 400	\$ 400	\$ 385	\$ 374	\$ 381	\$ 388	\$ 394	\$ 399	\$ 426
<b>Total</b>	2,165,934,320	2,208,499,190	2,286,737,941	2,285,901,192	2,227,707,090	2,241,281,564	2,287,210,305	2,318,593,330	2,404,059,860	2,473,833,995	2,679,989,678

## RAW PER CAPITA

<b>USERS</b>	1,155,738	1,179,324	1,203,392	1,227,951	1,253,011	1,278,583	1,300,634	1,340,000	1,375,000	1,388,750	1,404,026
<b>Year</b>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
PHC	\$ 1,116	\$ 1,175	\$ 1,251	\$ 1,277	\$ 1,267	\$ 1,263	\$ 1,284	\$ 1,270	\$ 1,325	\$ 1,404	\$ 1,537
C	\$ 89	\$ 114	\$ 132	\$ 144	\$ 153	\$ 198	\$ 223	\$ 259	\$ 280	\$ 304	\$ 383
W	\$ 249	\$ 271	\$ 293	\$ 301	\$ 297	\$ 293	\$ 301	\$ 308	\$ 315	\$ 328	\$ 363
<b>Total</b>	\$ 1,205	\$ 1,289	\$ 1,383	\$ 1,420	\$ 1,421	\$ 1,460	\$ 1,507	\$ 1,528	\$ 1,605	\$ 1,708	\$ 1,920

## CONSTANT \$ PER CAPITA

<b>USERS</b>	1,155,738	1,179,324	1,203,392	1,227,951	1,253,011	1,278,583	1,300,634	1,340,000	1,375,000	1,388,750	1,404,026
<b>Year</b>	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
PHC	\$ 1,439	\$ 1,411	\$ 1,419	\$ 1,381	\$ 1,311	\$ 1,263	\$ 1,249	\$ 1,197	\$ 1,207	\$ 1,228	\$ 1,285
C	\$ 114	\$ 136	\$ 150	\$ 155	\$ 159	\$ 198	\$ 217	\$ 244	\$ 255	\$ 266	\$ 320
W	\$ 321	\$ 326	\$ 332	\$ 326	\$ 308	\$ 293	\$ 293	\$ 290	\$ 287	\$ 287	\$ 303
<b>Total</b>	\$ 1,553	\$ 1,547	\$ 1,568	\$ 1,536	\$ 1,470	\$ 1,460	\$ 1,466	\$ 1,440	\$ 1,462	\$ 1,494	\$ 1,606

Shows data used to compute buying power by discounting for medical price inflation (data from BLS website) and \$ per capita by dividing expenditures by IHS user count.

**Indian Health Service**  
**Enacted Funding Summary Report (BA)**  
**FY 1990 - FY 2002**

(Dollars in Thousands)

FILE: O:\DFMBFBP\TREND\FY1990-2002 FUNDG TREND.XLS

Revised: Nov. 30, 2001

	P.L. 101-121 Oct. 23, 1989 Conf.Rpt.101-264	P.L. 101-512 Nov. 5, 1990 Conf.Rpt.101-971	P.L. 102-154 Nov. 13, 1991 Conf.Rpt.102-256	P.L. 102-381 Oct. 5, 1992 Conf.Rpt.102-901	P.L. 103-138 Nov. 11, 1993 Conf.Rpt.103-299	P.L. 103-332 Sep. 30, 1994 Conf.Rpt.103-740	P.L. 104-134 Apr. 26, 1996 Conf.Rpt.104-537	P.L. 104-208 Sep. 30, 1996 Conf.Rpt.104-863	P.L. 105-83 Nov. 14, 1997 Conf.Rpt.105-337	P.L. 105-277 Oct. 21, 1998 Conf.Rpt.105-825	P.L. 106-113 Nov. 29, 1999 Conf.Rpt.106-479	P.L. 106-291 Oct. 11, 2000 Conf.Rpt.106-914	P.L. 107-63 Nov. 5, 2001 Conf.Rpt.107-234
Sub Sub Activity	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
<b>SERVICES:</b>													
Hospitals & Health Clinics	\$673,346	\$758,946	\$722,962	\$763,952	\$799,574	\$822,539	\$854,478	\$891,824	\$906,801	\$947,198	\$1,005,407	\$1,084,173	\$1,153,711
Dental Services	32,939	43,153	46,263	49,239	53,151	57,518	59,770	62,783	65,517	71,400	80,062	91,018	95,305
Mental Health	21,244	25,462	27,404	28,770	35,272	36,448	37,200	38,341	39,379	41,305	43,245	45,018	47,142
Alcohol & Substance Abuse	61,871	69,747	75,295	81,305	87,617	91,352	91,352	91,482	91,782	94,680	96,824	130,254	135,005
Contract Health Services	237,647	280,220	308,589	328,394	349,848	362,564	362,564	368,325	373,375	385,801	406,756	445,773	460,776
Total, Clinical Services	1,027,047	1,177,528	1,180,513	1,251,660	1,325,462	1,370,421	1,405,364	1,452,755	1,476,854	1,540,384	1,632,294	1,796,236	1,891,939
Sanitation	0	0	0	0	0	0	0	0	0	0	0	0	0
Public Health Nursing	15,025	17,247	18,349	20,240	22,187	23,505	24,150	26,676	28,198	30,363	34,452	36,114	37,781
Health Education	4,822	6,050	6,303	7,561	7,919	8,244	8,313	8,632	8,932	9,430	9,625	10,063	10,628
Comm. Health Reps	31,085	36,494	38,951	40,923	43,010	43,955	43,955	43,973	44,312	45,960	46,380	48,061	49,789
Immunization AK	1,127	1,212	1,266	1,287	1,348	1,328	1,328	1,328	1,328	1,367	1,402	1,471	1,526
Total, Prev Hlth	52,059	61,003	64,869	70,011	74,464	77,032	77,746	80,609	82,770	87,120	91,859	95,709	99,724
Urban Health	13,049	15,687	19,062	20,965	22,834	23,349	23,768	24,768	25,288	26,382	27,813	29,843	30,947
Indian Health Professions	9,540	18,370	25,119	26,092	27,406	27,479	26,244	28,270	28,720	29,623	30,491	30,486	31,165
Tribal Management	2,562	4,235	5,038	5,161	5,285	5,048	2,348	2,348	2,348	2,390	2,411	2,406	2,406
Direct Operations	44,484	47,107	47,133	48,659	49,471	49,709	47,709	48,709	47,386	49,309	50,988	52,946	55,323
Self Governance	0	0	0	1,884	4,980	8,594	9,090	9,090	9,106	9,391	9,531	9,803	9,876
Contract Support Costs	0	0	89,869	100,558	136,186	145,460	153,040	160,720	168,702	203,781	228,781	248,234	268,234
Total, Services	1,148,741	1,323,930	1,431,603	1,524,990	1,646,088	1,707,092	1,745,309	1,807,269	1,841,174	1,948,380	2,074,168	2,265,663	2,389,614
<b>FACILITIES:</b>													
Maintenance & Improvement	12,025	25,874	38,510	32,168	37,940	38,334	38,334	39,463	39,434	40,625	43,433	46,331	46,331
Sanitation Facilities	25,571	71,859	75,042	85,051	85,051	84,889	84,889	88,963	89,082	89,328	92,117	93,617	93,827
Construction Facilities	0	84,595	85,314	134,300	80,184	27,822	12,297	14,500	14,400	41,087	50,393	85,525	86,260
Facil. & Envir. H. Supp.													
Facilities Support	0	0	33,041	35,510	38,163	38,294	38,460	38,838	0	0	0	0	0
Env. Hlth Support	0	0	32,536	36,320	39,117	40,314	40,645	42,271	0	0	0	0	0
OEHE Support	0	0	9,500	9,837	10,073	9,872	10,572	10,709	0	0	0	0	0
Total, F&EHS	0	71,311	75,077	81,667	87,353	88,480	89,677	91,818	101,617	107,682	116,282	121,336	126,775
Equipment	0	0	0	0	0	12,975	12,975	14,505	13,005	13,243	14,330	16,294	16,294
Contract Support Cost	0	0	408	454	477	482	482	482	0	0	0	0	0
Level of Space Needed	0	0	0	0	5,977	0	0	0	0	0	0	0	0
Total, Facilities	37,596	253,639	274,351	333,640	296,982	252,982	238,654	249,731	257,538	291,965	316,555	363,103	369,487
<b>TOTAL, Budget Authority</b>	<b>\$1,186,337</b>	<b>\$1,577,569</b>	<b>\$1,705,954</b>	<b>\$1,858,630</b>	<b>\$1,943,070</b>	<b>\$1,960,074</b>	<b>\$1,983,963</b>	<b>\$2,057,000</b>	<b>\$2,098,712</b>	<b>\$2,240,345</b>	<b>\$2,390,723</b>	<b>\$2,628,766</b>	<b>\$2,759,101</b>
\$ change (+/-) over previous fiscal year	\$105,521	\$391,232	\$128,385	\$152,676	\$84,440	\$17,004	\$23,889	\$73,037	\$41,712	\$141,633	\$150,378	\$238,043	\$130,335
% change (+/-) over previous fiscal year	10%	33%	8%	9%	5%	1%	1%	4%	2%	7%	7%	10%	5%

**Application of crosswalk percentage to estimate PHC and Wrap-Around Expenditures**

## Indian Health Service Budget

<b>2001</b>				
Sub Sub Activity	FY 2001 Appropriation	\$ Overlap w PHC Benefits Package	Estimate for PHC Expenditures	Estimate for Wrap Around Expenditures
<b><u>SERVICES:</u></b>				
Hospitals & Health Clinics	1,084,173,000	100%	1,084,173,000	0
Dental Services	91,018,000	90%	81,916,200	9,101,800
Mental Health	45,018,000	50%	22,509,000	22,509,000
Alcohol & Substance Abuse	130,254,000	77%	100,295,580	29,958,420
Contract Health Services	445,773,000	90%	401,195,700	44,577,300
Public Health Nursing	36,114,000	0%	-	36,114,000
Health Education	10,063,000	0%	-	10,063,000
Comm. Health Reps	48,061,000	0%	-	48,061,000
Immunization AK	1,471,000	0%	-	1,471,000
Urban Health	29,843,000	0%	-	29,843,000
Indian Health Professions	30,486,000	0%	-	30,486,000
Tribal Management	2,406,000	0%	-	2,406,000
Direct Operation	52,946,000	89%	47,121,940	5,824,060
Self Governance	9,803,000	89%	8,724,670	1,078,330
Contract Support Costs	248,234,000	89%	220,928,260	27,305,740
Total, Services	\$ 2,265,663,000	87%	\$ 1,966,864,350	\$ 298,798,650
<b><u>FACILITIES:</u></b>				
Maintenance and Improv.	46,331,000	89%	41,234,590	5,096,410
Sanitation Facilities Const.	93,617,000	0%	-	93,617,000
Facilities Construction (Health)	85,525,000	89%	76,117,250	9,407,750
Facilities Support	50,063,329	89%	44,556,363	5,506,966
Env. Health Support	60,821,160	5%	3,041,058	57,780,102
OEHE Support	10,451,512	89%	9,301,845	1,149,666
Medical Equipment	16,294,000	100%	16,294,000	0
Total, Facilities	\$ 363,103,000	52%	\$ 190,545,106	\$ 172,557,894
<b><u>Collections / Transfers</u></b>				
Medicare	114,728,000	100%	114,728,000	0
Medicaid	316,113,000	100%	316,113,000	0
PI	39,960,000	100%	39,960,000	0
Quarters	4,700,000	0%	-	4,700,000
Diabetes Transfer	100,000,000	67%	67,000,000	33,000,000
Total, Facilities	\$ 575,501,000	93%	\$ 537,801,000	\$ 37,700,000
<b><u>Total w/o Collections</u></b>	<b>2,628,766,000</b>	<b>82%</b>	<b>\$ 2,157,409,456</b>	<b>\$ 471,356,544</b>
<b>Estimated Users:</b>	<b>1,404,026</b>	<b>PER CAPITA:</b>	<b>\$ 1,537</b>	<b>\$ 336</b>
<b><u>Total w Collections</u></b>	<b>3,204,267,000</b>	<b>84%</b>	<b>\$ 2,695,210,456</b>	<b>\$ 509,056,544</b>
<b>Estimated Users:</b>	<b>1,404,026</b>	<b>PER CAPITA:</b>	<b>\$ 1,920</b>	<b>\$ 363</b>

Example for FY 2001. Identical crosswalk percentages were applied for all other years 1991-2001.

Annual Medical Inflation and  
Per Capita Personal Health Care Expenditures  
for the United States  
1991-2001

	Annual Medical Price Inflation Rate (Source: BLS Website)	Cumulative Inflation Discount Rate (1996 Base Year)	US Per Capita Personal Health Care Expenditures (Source: CMS website)
1991	108.7%	128.9%	\$2,616
1992	107.4%	120.0%	\$2,806
1993	105.9%	113.3%	\$2,954
1994	104.8%	108.2%	\$3,079
1995	104.5%	103.5%	\$3,233
1996	103.5%	100%	\$3,375
1997	102.8%	97.3%	\$3,516
1998	103.2%	94.3%	\$3,641
1999	103.5%	91.1%	\$3,808
2000	104.1%	87.5%	\$4,084
2001	104.6%	83.6%	\$4,392